

House Bill 3325

Sponsored by Representative JAVADI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would let tax districts in counties with high tourist counts use a certain percent of net lodging taxes for essential services. (Flesch Readability Score: 62.1).

Provides that taxing districts within counties with high averaged annual ratios of tourists to residents may expend a certain percentage of net transient lodging taxes for essential services that benefit both residents and tourists.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transient lodging taxes; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 320.345 to**
5 **320.365.**

6 **SECTION 2. (1) As used in this section, "essential services" means the maintenance of**
7 **highways as defined in ORS 801.305, public parks, public safety, and sanitation facilities, that**
8 **benefit both residents and tourists in a recreational district.**

9 **(2)(a) A county shall be considered a recreational district if the average ratio for the**
10 **immediately preceding three calendar years of annual overnight tourists in locations within**
11 **the county to residents is 100:1 or greater.**

12 **(b) On or before December 31 of each year, the governing body of each county shall de-**
13 **termine the average annual ratio using tourism data provided by the Oregon Tourism Com-**
14 **mission or any entity that the commission recommends.**

15 **(c) The governing body shall notify each unit of local government within the county that**
16 **imposes a transient lodging tax and the Department of Revenue of the ratio, which will de-**
17 **termine recreational districts for the subsequent calendar year.**

18 **(3) Notwithstanding ORS 320.350 (5) and (6), local transient lodging taxes collected by**
19 **units of local government within each county determined to be a recreational district for the**
20 **current calendar year shall be allocated as follows:**

21 **(a) Of the first five percent of the taxes collected:**

22 **(A) Seventy percent shall be used for essential services provided by the unit of local**
23 **government that imposed the tax; and**

24 **(B) Thirty percent shall be used for the purposes described in ORS 320.350 (5)(a) or (c).**

25 **(b) Of the remaining 95 percent of the taxes collected:**

26 **(A) Thirty percent shall be used for essential services provided by the unit of local gov-**
27 **ernment that imposed the tax; and**

28 **(B) Seventy percent shall be used for the purposes described in ORS 320.350 (5)(a) or (c).**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **(4) Nothing in this section may be construed as amending the provisions of ORS 320.350**
2 **(1) to (4).**

3 **SECTION 3.** **This 2025 Act takes effect on the 91st day after the date on which the 2025**
4 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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